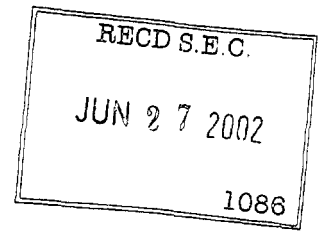




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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



FORM 11-K

- ☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2001,

OR

- ☐ TRANSITIONAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 1-1169

VOLUNTARY INVESTMENT PROGRAM FOR  
HOURLY EMPLOYEES OF LATROBE STEEL COMPANY  
(Full title of the Plan)

THE TIMKEN COMPANY, 1835 Dueber Avenue, S.W., Canton, Ohio 44706  
(Name of issuer of the securities held pursuant to the Plan  
and the address of its principal executive office)

PROCESSED

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FINANCIAL

AUDITED FINANCIAL STATEMENTS AND SCHEDULE  
Voluntary Investment Program for Hourly Employees  
of Latrobe Steel Company  
December 31, 2001 and 2000, and the Year ended December 31, 2001  
with Report of Independent Auditors

Voluntary Investment Program for Hourly  
Employees of Latrobe Steel Company

Audited Financial Statements and Schedule

December 31, 2001 and 2000 and the  
Year ended December 31, 2001

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## Report of Independent Auditors

Timken Latrobe Steel Company, Administrator of the  
Voluntary Investment Program for Hourly  
Employees of Latrobe Steel Company

We have audited the accompanying statements of assets available for benefits of the Voluntary Investment Program for Hourly Employees of Latrobe Steel Company as of December 31, 2001 and 2000, and the related statement of changes in assets available for benefits for the year ended December 31, 2001. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan at December 31, 2001 and 2000, and the changes in its assets available for benefits for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2001 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Ernst & Young LLP*  
ERNST & YOUNG LLP

Canton, Ohio  
June 21, 2002

Voluntary Investment Program for Hourly  
Employees of Latrobe Steel Company

Statements of Assets Available for Benefits

	December 31	
	2001	2000
<b>Assets</b>		
Investments, at fair value	\$ 7,111,144	\$ 6,910,076
Receivables:		
Contribution receivable from participants	28,250	25,396
Accrued income	1,364	3,398
Total receivables	29,614	28,794
Assets available for benefits	<u>\$ 7,140,758</u>	<u>\$ 6,938,870</u>

*See accompanying notes.*

Voluntary Investment Program for Hourly  
Employees of Latrobe Steel Company

Statement of Changes in Assets Available for Benefits

Year ended December 31, 2001

**Additions**

Interest and dividends	\$ 90,012
Contributions from participants	833,624
Total additions	<u>923,636</u>

**Deductions**

Benefits paid directly to participants	250,253
Net depreciation in fair value of investments	471,495
Total deductions	<u>721,748</u>

Net increase	201,888
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Assets available for benefits:

Beginning of year	6,938,870
End of year	<u><u>\$ 7,140,758</u></u>

*See accompanying notes.*

# Voluntary Investment Program for Hourly Employees of Latrobe Steel Company

## Notes to Financial Statements

December 31, 2001

### **1. Description of the Plan**

The following description of the Voluntary Investment Program for Hourly Employees of Latrobe Steel Company (the Plan) provides only general information. Participants should refer to the *1998 401(k) Agreement Between Latrobe Steel Company and the United Steelworkers of America* for a more complete description of the Plan's provisions.

#### **General**

The Plan is a defined contribution plan covering all employees of Latrobe Steel Company (the Company) who are represented by the United Steelworkers of America (USWA). Employees of the Company become eligible to participate in the Plan upon the completion of 1,000 hours of service within a twelve month period. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

#### **Contributions**

Each year, participants may contribute up to 15% of gross earnings, as defined in the Plan, subject to IRS limitations. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. No Company contributions are provided under the Plan. Upon enrollment, a participant must direct his or her contribution in 5% increments to any of the Plan's fund options. Participants have access to their account information and the ability to make account transfers and contribution changes an unlimited number of times through an automated telecommunication system.

#### **Participant Accounts**

Each participant's account is credited with the participant's contributions and allocations of Plan earnings, and is charged administrative expenses, as appropriate. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

#### **Vesting**

Participants vest immediately in their contributions plus actual earnings thereon.

# Voluntary Investment Program for Hourly Employees of Latrobe Steel Company

## Notes to Financial Statements (continued)

### **1. Description of the Plan (continued)**

#### **Participant Notes Receivable**

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their account balance. Loan terms can not exceed four years. The loans are secured by the balance in the participant's account and bear interest at an interest rate of one percent in excess of the prime rate, as published the first business day of each month in the Wall Street Journal. Principal and interest are paid ratably through monthly payroll deductions.

#### **Payment of Benefits**

On termination of service, a participant may receive a lump-sum amount equal to the balance of his or her account.

#### **Plan Termination**

The Plan shall continue in full force and effect until December 31, 2002, and yearly thereafter, unless either the Company or the USWA shall notify the other party in writing that they desire to terminate the agreement. The Plan may generally be amended by mutual consent of the Company and the USWA. In the event of Plan termination, the trustee shall distribute to each participant the amount standing to his or her credit in his or her separate account. Effective May 15, 2002, the Company reached a tentative agreement with Local 1537 of the United Steelworkers of America that will be finalized in 2002.

### **2. Accounting Policies**

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting.

#### **Investment Valuation and Income Recognition**

The Plan's investments are stated at fair value. American Express Trust Company (the Trustee) maintains a collective investment trust of The Timken Company common stock in which the Company's defined contribution plans participate on a unit basis. The Timken Company common stock is traded on a national securities exchange and participation units in The Timken Company Common Stock Fund are valued at the last reported sales price on the last business day of the year. The valuation per unit of The Timken Company Stock Fund was \$9.11 and \$8.53 at December 31, 2001 and 2000, respectively.



Voluntary Investment Program for Hourly  
Employees of Latrobe Steel Company

Notes to Financial Statements (continued)

**2. Accounting Policies (continued)**

The participation units owned by the Plan in the Trustee collective trust funds and mutual funds are valued at quoted market prices which represent the net asset values of shares held by the Plan at year end. The participant notes receivable are valued at their outstanding balances, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**3. Investments**

During 2001, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated (depreciated) in fair value as determined by quoted market prices as follows:

	<b>Net Appreciation (Depreciation) in Fair Value of Investments</b>
Common stock of The Timken Company	\$ 88,087
Mutual funds	(109,295)
Collective trust funds	(450,287)
	<u>\$ (471,495)</u>

# Voluntary Investment Program for Hourly Employees of Latrobe Steel Company

## Notes to Financial Statements (continued)

### 3. Investments (continued)

Investments that represent 5% or more of the fair value of the Plan's net assets are as follows:

	<u>2001</u>	<u>2000</u>
The Timken Company Stock Fund	\$ 1,232,051	\$ 924,039
AXP New Dimensions Fund	462,017	488,130
American Express Trust U. S. Government Securities Fund I	797,723	676,071
American Express Trust Bond Fund	636,444	380,737
American Express Trust Equity Index Base Fund	3,569,746	4,092,720

### 4. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated February 28, 1996, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

### 5. Related Party Transactions

The following is a summary of transactions in common stock of The Timken Company for the year ended December 31, 2001:

	<u>Shares</u>	<u>Dollars</u>
Purchased	17,436	\$ 258,862
Issued to participants for payment of benefits	561	9,662
Dividends received		44,208

Benefits paid to participants include payments made in common stock of The Timken Company valued at quoted market prices at the date of distribution.

Certain legal and accounting fees and certain administrative expenses relating to the maintenance of participant records are paid by the Company. Fees paid during the year for services rendered by parties-in-interest were based on customary and reasonable rates for such services.

Voluntary Investment Program for Hourly  
Employees of Latrobe Steel Company

Notes to Financial Statements (continued)

**6. Subsequent Event**

Effective January 1, 2002, the Plan was amended to segregate the Timken Company Stock Fund into two components – a newly created Employee Stock Ownership Plan, or ESOP, and a Timken Stock Fund. The ESOP will contain all shares held in the Timken Company Stock Fund at December 31, 2001. Beginning January 1, 2002, employee and participant contributions will go into the Timken Stock Fund. At the end of each plan year, all contributions, reinvested dividends and any market gains or losses in the Timken Stock Fund will be transferred into the Timken ESOP. Participants may elect to have their vested dividends in the Timken ESOP distributed to them in cash or automatically reinvested in common stock of The Timken Company.

Voluntary Investment Program for Hourly  
Employees of Latrobe Steel Company

EIN: 25-0610595      Plan Number 018

Schedule H, Line 4i—Schedule of Assets  
(Held at End of Year)

December 31, 2001

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par or Maturity Value	Current Value
The Timken Company Stock Fund*	135,182 units	\$ 1,232,051
AXP New Dimensions Fund*	18,796 units	462,017
Templeton Foreign Fund	11,104 units	102,707
American Express Trust Company*:		
U.S. Government Securities Fund I	797,723 units	797,723
Bond Fund	9,449 units	636,444
Short-Term Horizon (25:75) Fund	2 units	41
Medium-Term Horizon (50:50) Fund	2,975 units	64,585
Long-Term Horizon (80:20) Fund	89 units	2,029
Small Cap Equity Index Fund II	7,821 units	112,206
Equity Index Base Fund	103,020 units	3,569,746
Participant notes receivable at interest rates ranging from 6.50% to 10.50%*	131,595 units	131,595
Total investments		<u>\$ 7,111,144</u>

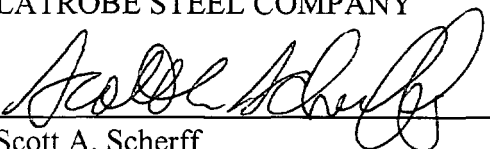
\* Indicates party-in-interest to the Plan.

SIGNATURES

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other person who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

VOLUNTARY INVESTMENT  
PROGRAM FOR HOURLY EMPLOYEES  
OF LATROBE STEEL COMPANY

Date: 6-20-02

By:   
Scott A. Scherff  
Assistant Secretary

### Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-66911) pertaining to the Voluntary Investment Program for Hourly Employees of Latrobe Steel Company of our report dated June 21, 2002, with respect to the financial statements and schedule of the Voluntary Investment Program for Hourly Employees of Latrobe Steel Company included in this Annual Report (Form 11-K) for the year ended December 31, 2001.

*Ernst & Young LLP*  
ERNST & YOUNG LLP

Canton, Ohio  
June 21, 2002